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100920Z Jan 05

ACTION STR-00

INFO	LOG-00	NP-00	AID-00	CIAE-00	COME-00	INL-00	DODE-00
	DS-00	EAP-00	EB-00	EUR-00	E-00	FBIE-00	UTED-00
	VC-00	H-00	TEDE-00	INR-00	IO-00	JUSE-00	LAB-01
	L-00	VCE-00	NSAE-00	OES-00	OIC-00	PER-00	SP-00
	TRSE-00	FMP-00	DSCC-00	PRM-00	DRL-00	NFAT-00	SAS-00
	SWCI-00	/001W					

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FM AMEMBASSY HANOI
TO SECSTATE WASHDC 6170
INFO USEU BRUSSELS
AMCONSUL HO CHI MINH CITY

UNCLAS HANOI 000072

SIPDIS

SENSITIVE

STATE PASS USTR EBRYAN

E.O. 12958: N/A

TAGS: ETRD PREL VM KICC WTO

SUBJECT: WTO ENTRY A PREREQUISITE FOR ARTICLE 98 AGREEMENT,
VIETNAM SAYS

REF: 04 HANOI 3269

¶1. (SBU) Summary: The GVN has transferred responsibility for negotiating an Article 98 agreement from the MFA to the Ministry of Justice. MOJ lawyers, with the encouragement of the Minister, are actively tackling the task of obtaining internal consensus on the agreement. However, the GVN fears other WTO members might hinder Vietnam's accession if it agrees to sign an Article 98 agreement with the United States. As a result, GVN officials say that "no amount of urging" will motivate the GVN to sign before Vietnam clinches its WTO membership. End Summary.

¶2. (SBU) Following up on our earlier delivery of the draft agreement to the MOJ (reftel), political specialist spoke to Dr. Nguyen Cong Hong, the MOJ officer tasked with shepherding the Article 98 agreement through the GVN bureaucracy. Dr. Hong said that Minister of Justice Uong Chu Luu is "personally interested" in the issue and has instructed Dr. Hong to arrange an interagency meeting for the second half of January to discuss the Agreement with relevant line ministries. "There are no obstacles (to signing an agreement) anywhere within the government," Dr. Hong said.

¶3. (SBU) However, Dr. Hong said that Vietnam will not be able to sign an Article 98 agreement with the United States before it completes its bid to join the WTO because "Vietnam has to gather support from all WTO members for its accession bid, and signing the agreement with the United States would just make some of the countries unhappy." No matter how much the United States might "urge" Vietnam, an Article 98 agreement will have to wait for Vietnam's WTO entry, Dr. Hong said, because "joining the WTO is Vietnam's top priority." It is an issue of timing, not substance, he concluded.

¶4. (SBU) Comment: This is the most explicit confirmation we have had from the GVN that external pressure is the cause of GVN foot-dragging on an Article 98 agreement. Previous interlocutors at MFA (which had responsibility for the Article 98 agreement deliberations before the handoff to MOJ in late 2004) have suggested that the culprit is the EU, and the EU Delegation Ambassador admitted to Ambassador Burghardt in July 2004 that the EU had been lobbying Vietnam against concluding an agreement with the United States. While we doubt that the EU would actually veto Vietnam's WTO bid in retaliation for Vietnam signing an Article 98 agreement with us, the GVN apparently feels it is unwise to take any chances. Perhaps the one benefit of the current state of play -- that the GVN's concerns are about timing, not substance -- is that getting to "yes" on an Article 98 agreement is now a policy decision we can raise at high levels without GVN interlocutors attributing the delay to GVN working-level technical issues. End Comment.

MARINE

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